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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of
Access Charge Reform

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)
)

CC Docket No. 96-262

MCI'S OPPOSITION TO THE U.S. WEST PETITION
FOR A PARTIAL STAY

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U.S. West's attempt to undermine the Commission's logic by asserting that local transport costs are by definition excluded from residual interconnection charges is premised on a misreading of the Commission's decision and belied by U.S. West's own contentions. The two types of costs U.S. West claims to find in residual interconnection charges, tandem switching and rural local transport, are both local transport costs. U.S. West fares no better with its claim that the challenged rule contradicts the Commission's determination that incumbent LECs should recover all residual interconnection charges because the Commission made no such determination. U.S. West's final challenge to the rule as discriminatory demonstrates only the considerable conceptual gulf between regulated monopolies and competitive businesses because the effect of the rule is to eliminate a one-sided subsidy to incumbent LECs from their competitors.

In sum, U.S. West has no prospect of success on the merits. Moreover, it will suffer no irreparable harm if the Commission does not grant a stay. Indeed, U.S. West has not shown it will suffer any harm whatsoever. U.S. West has complete discretion to match its competitors' rates and therefore can protect itself from loss of customers on that basis. U.S. West also has discretion to deaverage its local transport prices and can therefore ensure recovery of its rural local transport costs in that way if needed.

U.S. West's position with respect to the other two harms it asserts would not be affected in any way by the grant of a stay. Permitting U.S. West to impose residual interconnection charges on CAP traffic would not provide U.S. West with recovery of tandem switching costs scheduled for reallocation or with

additional universal service support. Residual interconnection charges do not include either tandem switching costs scheduled for reallocation or universal service support.

Most importantly, granting the requested stay is not in the public interest. As even U.S. West concedes, implementing the challenged rule would increase competition in the local transport market, granting the stay would slow competition. Because Congress and this Commission have determined that vigorous competition will best serve the public by encouraging service providers to increase their efficiency, responsiveness and range of products, a stay would clearly disserve the public.

Because each of the applicable factors weighs decisively against granting a stay, the petition should be denied.

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OPPOSITION OF MCI TO THE U.S. WEST PETITION FOR A PARTIAL STAY

U.S. West's petition is largely duplicative of the petition for a partial stay filed earlier by NYNEX. It requests a stay of the same rule, and asserts most of the same arguments in support. For the same reasons that each of the determining factors weighed against the stay requested by NYNEX, they weigh against a stay here. See MCI Opp. to NYNEX Pet. for Partial Stay, CC Docket No. 96-262 (Aug. 8, 1997). U.S. West is unlikely to prevail on the merits; it has made no showing that it will suffer irreparable harm if the rule is implemented; a

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stay would harm other interested parties; and a stay would not be in the public interest.^{2/}

U.S. West's one new argument with respect to the merits -- that the Commission's decision is arbitrary and unlawful with respect to its effect on universal service support -- relies entirely on misreadings of governing law and on unsupported assertions. Thus, it fails to provide U.S. West any increased likelihood of success in overturning the challenged rule. U.S. West asserts nothing new with respect to the three equity factors: the effect of a grant or denial on the public interest, other parties, and petitioner. There is, therefore, no basis for the extraordinary remedy of a stay here.

I. PETITIONER IS UNLIKELY TO PREVAIL ON THE MERITS.

U.S. West's challenges are meritless and have no prospect of success on the merits.

A. The Challenged Restriction Is Consistent With the Commission's Policies and Adequately Explained.

U.S. West's charge that the effect of the challenged rule is "seemingly unintended" is disingenuous. The Commission's intentions with respect to residual interconnection charges were made very clear. The Commission intends to rely on a combination of regulation and market competition to eliminate residual interconnection charges. Access Charge Reform Order ¶¶ 213, 234-38. Further, this intention could not have come as a surprise to U.S. West. Interconnection charges were adopted five years ago as an interim measure only, and as U.S. West

^{2/} See Wisconsin Gas Co. v. FERC, 758 F.2d 669, 673-74 (D.C. Cir. 1985); WMATA v. Holiday Tours, Inc., 559 F.2d 841, 843 (D.C. Cir. 1977).

well knows, did not result from any determination that they were justified by economic cost or needed to support universal service. To the contrary, these were imposed as a make-whole arrangement that insulated incumbent LECs from the effects of competition in the local transport market by allowing the LECs to offer prices competitive with those offered by Competitive Access Providers ("CAP"s) while guaranteeing the LECs their former revenues from local transport, earned by charging non-competitive prices.

Reform of this interim guarantee of former revenues was required by long-standing Commission policy and mandated in part by Comptel Ass'n v. FCC, 87 F.3d 522 (D.C. Cir. 1996). And the Commission's Notice of Proposed Rulemaking for the Access Charge Reform Order challenged here expressly stated that the Commission intended "to establish a mechanism to phase out the TIC in a manner that fosters competition and responds to the court's remand" in Comptel.^{3/}

In the final rule-making, the Commission explained its reason for adopting the challenged rule: to remove an impediment to that competition. Permitting incumbent LECs to impose interconnection charges on customers of CAPs is an obstacle to competition in the local transport market because the LECs recover some of their local transport costs through these interconnection charges. Access Charge Reform Order ¶ 212. Imposing these charges on traffic that does not use the LEC's local transport therefore results in subsidies to incumbent LECs from their competitors or their competitors' customers. Id. at ¶¶ 212, 240. The

^{3/} See Notice of Proposed Rulemaking at ¶ 97, Third Report and Order, and Notice of Inquiry, CC Docket Nos. 96-262, 94-1, 91-213, 96-263, FCC 96-488 (rel. Dec. 24, 1996), 62 Fed. Reg. 4670 (Jan. 31, 1997) ("NPRM").

Commission found this market distortion an impediment to its goal "to rely primarily on market forces" to reduce access charges to economic cost, id. at ¶ 216, and "inconsistent with the procompetitive goals of the 1996 Act." Id. at ¶ 240.

U.S. West's counter argument that residual interconnection charges do not, by definition, recover any LEC local transport costs is premised on a misreading of the Commission's order. USW Br. at 3, 7. The Commission provided that all identifiable local transport costs must be reallocated to the appropriate local transport elements. Access Charge Reform Order ¶¶ 229, 242. But the Commission's review of the evidence supplied by U.S. West and other incumbent LECs caused it to conclude there was a significant risk that incumbent LECs would also recover local transport costs through residual interconnection charges. Id. at ¶ 240; NPRM ¶ 97. The Commission declined to reallocate those local transport costs to specific elements because it could not "clearly associate" them with "particular facilities or services," not, as U.S. West suggests, because it had determined that no local transport costs remained. Access Charge Reform Order ¶ 242.

To be sure, as the Access Charge Reform Order makes clear, no evidence establishes that there are any current costs to be recovered through residual interconnection charges. Indeed, had the incumbent LECs been able to persuasively identify any such costs, the Commission would have reallocated them also to the appropriate network elements. That said, however, if any real costs were recovered from residual interconnection charges, the Commission's supposition that they were likely local transport costs is unassailable because

interconnection charges are derived from the incumbent LECs' former local transport revenues. Thus, any costs actually incurred and therefore recovered through interconnection charges should be local transport costs.

Indeed, even U.S. West is unable to suggest any costs allegedly in the residual interconnection charges that are not local transport costs. Both types of costs that U.S. West claims constitute most if not all of its residual interconnection charges are local transport costs: the cost of providing local transport in rural areas and the cost of tandem switches used in local transport. See USW Br. at 3-4.^{4/} Thus, even if U.S. West were correct that these costs were recovered in residual interconnection charges, these are costs for facilities used only when U.S. West provides local transport and would result in anticompetitive subsidies for U.S. West's local transport facilities if imposed on interexchange carriers using competitive transport. Thus, U.S. West's own claims support the Commission's reasoning in adopting the challenged rule.

U.S. West's further allegation that the Commission's restriction is "an arbitrary and unexplained departure from its overall approach of effecting a revenue-neutral restructuring of access charges," USW Br. at 10, and contradicts its decision not to "disallow any portion of the current TIC," id., is wishful thinking.

^{4/} U.S. West is, of course, incorrect in including any identifiable tandem switching costs in its residual interconnection charges. The Commission included as residual interconnection charges only those revenues that are not "expected to be reassigned on a cost-causative basis to facilities-based charges in the future." Access Charge Reform ¶ 235. Thus, the "remaining two thirds of tandem switch costs paid by dedicated transport purchasers until such costs are shifted to the tandem switching rate element" in 1999 and 2000, USW Br. at 3-4, are not residual interconnection charges and may therefore not be imposed through PICCs or through residual per minute interconnection charges.

First, the Commission did not adopt revenue neutrality as a goal here, nor does the paragraph cited by U.S. West for this proposition support that reading. To the contrary, Paragraph 46 explains, as do many other paragraphs in the Access Charge Reform Order, that the Commission's goal is the reduction of access charges to forward-looking cost levels, relying largely on competitive pressures "to make the necessary reductions." Access Charge Reform Order ¶ 46. The challenged rule, which removes an obstacle to competition, is wholly consistent with that goal.

Second, the Commission did not make a decision not to disallow these charges. Nor did the Commission, as U.S. West also asserts, determine that "implicit tandem switch and universal service support . . . should continue to be recovered through the RTIC." USW Br. at 14-15. To the contrary, the Commission conducted no cost docket-type review whatsoever. Instead, the Commission constructed a scheme to encourage the marketplace to bring interconnection charges down to competitive levels. First, incumbent LECs are required to reallocate all identifiable costs to the appropriate local transport element. These charges are imposed only on traffic using the LEC's local transport. Second, incumbent LECs may impose the remaining interconnection charges, for which costs cannot be identified, subject to price caps, PICCs caps, competition, and the challenged rule. Under the challenged rule, per minute residual interconnection charges, like reallocated interconnection charges, may be imposed only on traffic using the LEC's local transport.

Far from "clearly recogniz[ing] that the costs contained in the current TIC are based on legitimate LEC costs and should continue to be recovered," as

U.S. West asserts, USW Br. at 10, the Commission expressed considerable skepticism towards the residual interconnection charges and required the LECs to specifically target the X-Factor price cap reductions to those revenues. Access Charge Reform Order ¶ 234. The Commission also intended increased competition to further impede the LECs' ability to charge more than the forward-looking economic cost of providing local transport. Id. at ¶¶ 215, 243. The challenged rule is wholly consistent with this access charge scheme. The "access charge scheme" U.S. West claims to be "contrary" to the challenged rule, USW Br. at 10, is apparently of U.S. West's invention. It certainly cannot be found in the Commission's Access Charge Reform Order.^{5/}

**B. Universal Service Support Is Not Affected
By The Challenged Rule.**

It is unnecessary to reach the merits of U.S. West's claim that removal of some small part of universal service support is unlawful and arbitrary because the unrecovered costs U.S. West complains of are unrelated to universal service support. U.S. West has conflated very distinct facilities and governing regulations.

^{5/} Similarly, U.S. West's nebulous reference to the challenged rule as "an eleventh hour decision," USW Br. at 5, is unsupportable. The NPRM specifically alerted all parties that the Commission was concerned that the current practice permitting incumbent LECs to assess interconnection charges on all traffic placed CAPs at a disadvantage to the extent it required them to subsidize the transport services provided by the incumbent LECs. NPRM at ¶ 96. The Commission provided that notice in the context of explaining that one option under consideration was adopting regulations that would eliminate interconnection charges altogether. Id. at ¶ 117. Following that notice, U.S. West had many opportunities to submit comments and meet ex parte with the Commission.

The costs U.S. West claims remain in the residual interconnection charges are "the transport costs associated with the trunks needed to serve [] remote rural areas." USW Br. at 4. To the extent U.S. West is referring to the costs of the local transport that provides access to interexchange carriers, as it appears, this is entirely plausible. Such costs would likely have been included in the LECs' former local transport revenues and therefore could be included in its interconnection charges.

U.S. West's argument, that if it fails to collect all its residual interconnection charges it will fail to recover some costs of local transport which it should receive as part of the universal service support system, however, is premised on an incorrect assumption. Rural local transport does not receive universal service support. Universal service support historically has been applied to the costs of providing local loops in rural areas, not local transport. See, e.g., 47 C.F.R. § 36.601 et seq. (1995). In revisiting the question of which services should receive universal service support in its recent rule-making on the subject, the Commission made clear that local transport would not be receiving universal service support in the future either. The Commission determined that access to interexchange service would be among the services receiving universal service support, but clarified that "access to interexchange service means the use of the loop, as well as that portion of the switch that is paid for by the end user." 62 Fed. Reg. 32862, 32865.

U.S. West's complaint that the Commission's determinations on universal service support in the Access Charge Reform Order ignored critical

evidence and were internally inconsistent arises entirely from U.S. West's confusion as to what universal service support covers. Thus, U.S. West sees as contradictory the Commission determination that costs of providing local transport services in rural areas are included in residual interconnection charges, Access Charge Reform Order ¶ 226, and its determination that no portion of the costs recovered through interconnection charges should be considered universal service costs, id. at ¶ 242. But there is no contradiction between these determinations, because the cost of providing local transport is not a universal service cost.

U.S. West's contention that the Commission failed to address critical evidence with respect to local transport costs is similarly meritless. The Commission did not fail to address that evidence; it relied on that evidence to conclude that costs of rural transport were probably being recovered through interconnection charges. Id. at ¶ 226. The Commission also addressed the arguments pressed by certain parties that interconnection charges recovered universal service costs. The Commission found the latter arguments unpersuasive because their advocates had

not made any clear showing as to the source of these costs or demonstrated why they believe that these TIC revenues are either costs of universal service that should be recovered from the universal service fund or constituent costs of supported services. Id. at ¶ 242.

U.S. West's objection that the Commission failed to address its "extensive evidence," USW Br. at 8, is nonsense. U.S. West's evidence of local transport costs included in interconnection charges, had no bearing on whether universal service costs were included in those charges.

C. The Challenged Rule Does Not Discriminate Between Incumbent LECs and CAPs.

There is no basis for U.S. West's claim of discrimination. LECs compete with CAPs to provide local transport. Both LECs and CAPs incur costs in providing that local transport. Both may charge customers who use their local transport. Both may choose whatever technology, business practices and marketing strategies they wish. LECs and LEC transport customers do not subsidize any of the CAPs. Thus, it is not clear why a rule preventing CAPs and CAP customers from subsidizing LECs is discriminatory.

Further, the Commission specifically addressed the potential problem of higher rural local transport costs and provided a non-discriminatory solution to LECs in U.S. West's position -- a provision U.S. West completely fails to mention. See Access Charge Reform Order ¶ 227. The Commission suggested that LECs should address any such problem by deaveraging their transport rates, either by implementing zone-density pricing or by waiver. Id.^{6/} Even U.S. West traces its alleged problem with the high cost of rural local transport to averaged transport rates. USW Br. at 5. Should U.S. West implement the Commission's suggestion, it would have the same opportunity to recover reasonable costs as any competitors.^{7/}

^{6/} LECs that deaverage their local transport rates are required to reallocate additional interconnection charges to facilities-based transport rates when they create and each time they increase the deaveraging differential.

^{7/} It should be noted, however, that although there are many rural areas in the region that U.S. West serves, U.S. West itself has been shedding rural exchanges throughout its territory in recent years. More than 150 other LECs serve many of the most rural areas in that region. These companies are subject to different regulatory controls that, for example, do not include price caps.

In light of the above, U.S. West's discrimination argument comes down to a complaint that it will be underpriced in those areas where it has competitors if it includes all available residual interconnection charges in its local transport prices. USW Br. at 9. Because interconnection charges are simply a make-whole arrangement for permitting incumbent LECs to charge competitive prices but still earn the same revenues they earned in a far less competitive market, U.S. West's argument is nothing other than its continuing demand for special monopoly revenues. The Commission's denial of some part of those monopoly revenues to incumbent LECs, when those revenues are not available to their competitors, is the opposite of discrimination. The Commission's elimination of this one-sided subsidy is simply one small step toward a level playing field.

Because U.S. West presents no legitimate challenges to the Commission's adoption of 47 C.F.R. § 69.155(c), it has no prospect of success on the merits.

II. THE EQUITIES WEIGH DECISIVELY AGAINST GRANTING A STAY.

The status quo U.S. West seeks to preserve was never intended to be preserved. It was announced by the Commission as a temporary measure and the Commission was long overdue in replacing it, as both the Commission and the D.C. Circuit acknowledge. See NPRM ¶¶ 95, 96; Comptel, 87 F.3d at 532. U.S. West's claims of irreparable harm are merely an attempt to hold onto the monopoly profits afforded by this temporary measure long after Congress has determined that competition in the telecommunications industry would better serve the public

interest and the D.C. Circuit has determined that the measure was unlawful when adopted. None of the equitable factors support the grant of a stay here.

A. A Stay Is Not in the Public Interest.

U.S. West concedes that "[i]t is in the interest of all parties, providers and customers alike, for local transport service providers to compete based on economic factors such as price, quality of service, and efficiency." USW Br. at 14. This is the public interest Congress proposed to further in the Telecommunications Act of 1996, and the public interest the Commission promoted in adopting the challenged rule. The rule promotes this goal by removing an obstacle to competition on solely economic factors by prohibiting incumbent LECs such as U.S. West from imposing their own costs on their competitors and the customers of their competitors.

This is not, however, the interest U.S. West asks the Commission to secure by granting a stay. The competitive environment U.S. West argues for is one in which its nascent competitors, and their customers, are faced with the daunting costs of entering a monopoly market and in addition must make up the difference between the prices U.S. West charges its local transport customers and the local transport revenues it enjoyed in the early 1990s. In other words, U.S. West's version of a fair market is one in which it is insulated from the risks imposed by competition, and that insulation is extracted from its competitors and their customers. This bears no resemblance to competition "based on economic factors such as price, quality of service, and efficiency." To the contrary, a stay would undermine such competition by placing two thumbs on the scale in U.S.

West's favor, disadvantaging competitive transport providers and distorting the market choices available to local transport customers. Access Charge Reform Order ¶ 231.

U.S. West admits that granting the requested stay would slow competition. Indeed, it argues that the stay is needed in order to prevent alternative providers of local transport from signing up new customers. USW Br. at 12. U.S. West makes clear that a stay would permit it to fend off competition and keep its stranglehold on the local transport market in its region. Id.

A stay would also seriously disserve the public interest in vigorous competition by harming the public in the most direct manner: driving up the cost of long distance telephone service. This would require consumers to pay more for the calls they do make, and discourage them from using the network as much as they otherwise would like. Id. at ¶ 212. No post-stay remedy would restore these customers to their pre-stay position. A Commission order requiring incumbent LECs to refund improper interconnection charges to interexchange companies would not restore long distance callers to their pre-stay position. The remedy relied on in these circumstances is for interexchange companies to adjust their rates prospectively. But this affects only their then-current customers -- not necessarily the customers who made the calls. See, e.g., Worldcom Inc. v. FCC, 20 F.3d 472 (D.C. Cir. 1994) (recognizing inadequacy of compensating future customers for past overcharges). Furthermore, calls foregone in response to inflated prices are simply lost; no post-stay remedy can turn back time.

Thus, in every respect, the public interest weighs decisively against granting a stay.

**B. U.S. West Will Suffer No Irreparable Harm
If a Stay is Denied.**

No consequence complained of by U.S. West is irreparable. Several, in fact, are fully within U.S. West's own control.

U.S. West will suffer no irreparable harm by being denied, for some interim period, adequate explanations of the Commission's decision. In the extremely unlikely event that U.S. West prevailed on its allegation that the rule at issue was not adequately explained, the proper remedy would be a remand for further explanation. The restriction on imposing residual interconnection charges would be left in place. See ICORE, Inc. v. FCC, 985, F.2d 1075, 1081 (D.C. Cir. 1993); Comptel, 87 F.3d at 536. Any harm U.S. West suffered by being deprived of this information will then be fully remedied.

Second, U.S. West will suffer no loss of customers unless it so chooses. U.S. West's sole argument that it will lose customers is that, if it sets local transport prices to cover residual interconnection charges, it will be underbid by CAPs whose customers are not required to pay such charges. U.S. West, however, retains complete control over whether to include residual interconnection charges in its prices. It can instead choose to set prices that are not inflated by these charges. Thus, whether U.S. West loses a single customer because of the challenged rule is entirely within its own control.

Third, U.S. West has not lost the ability to recover its alleged \$158 million cost of providing local transport in rural areas as a result of the rule

prohibiting it from imposing those costs on CAP traffic. If U.S. West actually incurred any local transport costs that it did not recover in its current rates, it could recover those costs from the customers that use U.S. West's local transport by deaveraging its rates. Access Charge Reform Order ¶ 227.

U.S. West does not even argue that deaveraging would not allow it to fully recover any such costs. Nor could it. According to U.S. West's own affiant, George M. Kuwamura, Jr., U.S. West is under no competitive pressure from CAPs in rural markets that would affect its choices in setting rates in those markets. See Kuwamura Aff. ¶ 7 (explaining that "CAPs only have facilities in the most competitively attractive areas"). Further, any CAP that sought to move into such a rural local transport market would incur the same type of costs as U.S. West and would have to set its own prices to reflect them. Thus, U.S. West will not suffer any harm whatsoever, much less irreparable harm, by being prohibited from imposing its rural transport costs on CAP traffic unless it so chooses.

Fourth, the challenged rule has no effect on U.S. West's ability to recover its alleged \$36 million identifiable cost of tandem switching. The challenged rule affects only the recovery of residual interconnection charges. Residual interconnection charges do not include any of the costs identified as facilities-based costs, whether they have already been reallocated or are scheduled to be reallocated in the future. Access Charge Reform Order ¶ 235. The only tandem switching costs that U.S. West complains of losing are identified tandem switch costs scheduled to be reallocated on Jan. 1, 1999 and Jan. 1, 2000, USW Br. at 3-4. Under the Commission's rules, these are not included in residual

interconnection charges. Thus, U.S. West will not be able to impose those costs on CAP traffic, whether or not the challenged rule is stayed. See, supra, note 4.

Thus, the only revenues U.S. West asserts it will lose are either not by definition affected by the challenged rule (tandem switch costs) or remain available to U.S. West through a different pricing method (rural transport costs). Therefore, U.S. West utterly fails to show it would suffer any harm from lost revenues if the challenged rule is not stayed. Even if it had made such a showing, however, this type of harm is not irreparable. Loss of revenues is an economic injury that falls far short of the standard for irreparable harm. See, e.g., Iowa Util. Bd. v. FCC, 109 F.3d 418, 426 (8th Cir. 1996). In the extremely unlikely event that U.S. West would prevail on its challenge, and lost revenues could be shown, the Commission could remedy that harm through retroactive rate adjustments.^{8/} It is well settled that any actionable harm to petitioners recoverable through rate adjustments is not irreparable. See, e.g., Wisconsin Gas Co. v. FERC, 758 F.2d 669, 674 (D.C. Cir. 1985).^{9/}

^{8/} See Public Utils. Comm'n of California v. FERC, 988 F.2d 154 (D.C. Cir. 1993) (agency may order retroactive rate adjustments when earlier order reversed on appeal); Natural Gas Clearing House v. FERC, 965 F.2d 1066 (D.C. Cir. 1992) (same).

^{9/} U.S. West has made no showing that it would be unable to impose such rate increases in the unlikely event that they were ordered, nor could it make such a showing. As its own witness testified, U.S. West faces competition only in the densest markets. *Kuwamura Aff.* ¶ 7. Indeed, it identifies only 16 CAPs in its entire 14-state region. *Holmquist Aff.* ¶ 2. MCI's experience underscores the virtual absence of CAP competition in U.S. West region, which is significant because MCI is the second largest access customer in that region. Less than 1/2 of one percent of MCI traffic uses alternative local transport of any kind in the entire U.S. West region. In Arizona, including Phoenix which U.S. West parades as a
(continued...)

Finally, U.S. West will suffer no irreparable harm from a shortfall in universal service support. First, and most importantly, U.S. West has made no showing that it would receive any universal service support from residual interconnection charges if the challenged rule were stayed. The cost it relies on, the cost of rural local transport, is not covered by universal service support, and therefore is not affected by the challenged rule. Second, a shortfall in universal service support would not constitute irreparable harm because, like lost revenues, it is merely economic loss. Third, U.S. West's access rates are well in excess of its costs of providing access services, including local transport. In fact, its existing access rates are \$754 million above its costs for providing service, more than three times the amount U.S. West claims is at risk from the challenged rule.

Thus, U.S. West has made no showing that it will suffer any harm from the challenged rule, much less the irreparable harm necessary to justify the extraordinary remedy of a stay.

^{2/} (...continued)

shining example of competition, Holmquist Aff. ¶ 2, less than 1/3 of one percent of MCI traffic uses alternative local transport of any kind.

CONCLUSION

U.S. West's request for a stay should be denied.

Respectfully submitted,



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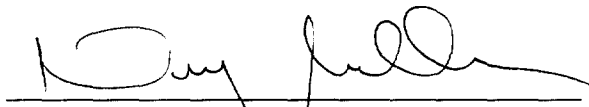
September 10, 1997

ATTORNEYS FOR

MCI TELECOMMUNICATIONS, INC.

CERTIFICATE OF SERVICE

I, Nory Miller, hereby certify that I have this 10th day of September, 1997, caused a true copy of the foregoing to be served on the parties listed on the attached service list by U.S. mail, first-class, postage prepaid, except where noted by Hand Delivery.



Nory Miller

Dated: September 10, 1997

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